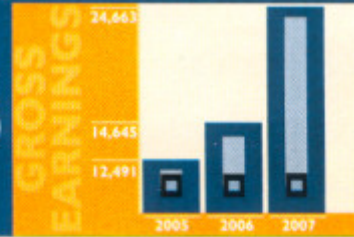


Financial Performance

AUDITED ACCOUNT: MARCH 31 2007

STRATEGICTURNAROUND



BALANCE SHEET

As at 31 March, 2007

	Group		Bank	
	2007	2006	2007	2006
	N'000	N'000	N'000	N'000
Assets				
Cash	2,833,525	4,585,838	2,757,744	4,457,312
Short-term investments	166,557	150,744	166,557	150,744
Due from banks	54,913,185	51,839,839	46,655,641	47,764,357
Bills discounted	36,578,584	26,096,525	36,578,584	26,096,525
Loans and advances	61,356,431	30,172,239	71,322,541	37,283,948
Other assets	21,873,864	14,822,868	15,901,441	6,901,954
Long-term investments	1,721,293	3,048,968	3,288,076	1,621,334
Fixed assets	7,605,102	5,136,515	6,948,079	4,770,391
	187,078,541	135,853,566	182,721,563	129,076,563
Deferred Charges:				
Goodwill on consolidation	-	2,193,679	-	2,193,679
Total assets	187,078,541	138,047,245	182,721,563	131,270,242
Liabilities				
Deposits and other accounts	135,645,083	88,435,310	142,276,727	91,895,758
Due to banks	617,598	2,920,005	617,598	2,920,005
Other liabilities	16,252,206	15,515,896	9,011,480	7,983,284
Tax payable	2,231,999	821,725	1,661,716	726,212
Deferred taxation	1,009,752	837,284	858,079	685,562
	155,756,638	108,530,220	154,425,540	104,210,811
Capital and reserves				
Share capital	2,554,216	2,554,216	2,554,216	2,554,216
Share premium	14,706,862	16,941,191	14,706,862	16,941,191
Bonus issue reserve	510,843	-	510,843	-
Other reserves	10,433,575	7,367,898	8,083,700	5,470,534
Small Scale Industries Reserve	1,347,079	999,967	1,347,079	999,967
Core capital	29,652,375	27,863,072	27,202,500	25,965,908
Fixed assets revaluation reserve	1,221,638	1,221,638	1,093,523	1,093,523
Shareholders' funds	30,774,013	29,084,710	28,296,023	27,059,431
Minority interest	547,890	432,315	-	-
	31,321,904	29,517,025	28,296,023	27,059,431
Total liabilities	187,078,541	138,047,245	182,721,563	131,270,242
Contingent liabilities and other obligations on behalf of customers and customers' liability thereof.	48,233,499	43,790,623	34,687,156	27,623,100

The financial statements were approved by the Board of Directors on 9 July 2007 and signed on its behalf by:

ALHAJI ALIYU K. BELGORE } Chairman
SEBASTIAN ADIGWE } Group Managing Director

PROFIT AND LOSS ACCOUNT

For the year ended 31 March, 2007

	Group		Bank	
	2007	2006	2007	2006
	N'000	N'000	N'000	N'000
Gross earnings	27,537,678	15,636,798	24,662,685	14,845,245
Profit before exceptional item and taxation	9,135,530	3,983,107	6,928,076	3,694,783
Exceptional items - restructuring cost	(1,847,235)	-	(1,847,235)	-
Taxation	(2,062,089)	(1,290,169)	(1,600,720)	(1,211,651)
Profit after taxation	5,196,206	2,693,938	3,471,121	2,483,132
Minority interest	(115,575)	(98,133)	-	-
	5,080,631	2,624,805	3,471,121	2,483,132
Appropriations				
Transfer to statutory reserve	(520,668)	(744,940)	(520,668)	(744,940)
Transfer to small scale industries Reserve	(347,112)	(248,313)	(347,112)	(248,313)
Transfer to general reserve	4,212,851	1,631,552	2,603,341	1,489,879

Report of the Auditors to the Members of AFRIBANK NIGERIA PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Afribank Nigeria Plc, as at 31 March 2007 which have been prepared on the basis of the significant accounting policies of the Bank.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, Banks and Other Financial Institutions Act CAP 83 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We draw your attention to the goodwill on consolidation that was charged to the special reserve account created from the share premium account. The Bank obtained the approval of shareholders at the last Annual General Meeting to create a special reserve from the share premium account and to write-off the goodwill of N2.194billion against the special reserve. The sanction of the Federal High Court has been obtained in accordance with Companies and Allied Matters Act CAP C20 LFN 2004.

Opinion

Except for the effects of the amounts charged directly to the reserve account, in our opinion, the Group and the Bank have kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act CAP C20 LFN 2004 and the Banks and Other Financial Institutions Act CAP 83 LFN 2004. The financial statements give a true and fair view of the financial position of Afribank Nigeria Plc as at 31 March 2007, and of its financial performance and its cash flows for the year then ended in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board and relevant International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The bank has complied with the requirements of the relevant circulars issued by Central Bank of Nigeria in accordance with circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider related credits are as disclosed in the financial statements.

The Bank contravened certain provisions of the Banks and Other Financial Institutions Act CAP 83 LFN 2004. The particulars thereof and the penalties paid thereon are set out in the financial statements.

Chartered Accountants
Lagos, Nigeria
9, July 2007

Akintola Williams Deloitte



...the efficient and courteous bank

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